



DEPARTMENT OF HOMELAND SECURITY

Office of Inspector General
Atlanta Field Office - Audit Division
3003 Chamblee Tucker Rd
Atlanta, GA 30341

April 08, 2003

MEMORANDUM

TO: Kenneth O. Burris, Jr.
Regional Director, FEMA Region IV

FROM: Gary Barard, Audit Manager

SUBJECT: Houston County, Georgia
FEMA Disaster No. 1033-DR-GA
Audit Report No. DA-03-03

The Office of Inspector General (OIG) audited public assistance funds awarded to Houston County, Georgia. The objective of the audit was to determine whether the County accounted for and expended FEMA funds according to federal regulations and FEMA guidelines.

The County received an award of \$4.5 million from the Georgia Emergency Management Agency, a FEMA grantee, to remove debris, provide emergency protective measures, and repair roads and a water control facility damaged as a result of Tropical Storm Alberto in July 1994. The award provided 90 percent FEMA funding for 9 large projects and 30 small projects¹. Audit work was limited to the \$4,136,609 awarded and claimed under the 9 large projects (see Exhibit).

The audit covered the period July 1994 to February 2000. During this period, the County received \$3,722,948 of FEMA funds under the 9 large projects.

The OIG performed the audit under the authority of the Inspector General Act of 1978, as amended, and according to generally accepted government auditing standards. The audit included tests of the County's accounting records, a judgmental sample of expenditures, and other auditing procedures considered necessary under the circumstances.

¹ According to FEMA regulations, a large project costs \$42,400 or more and a small project costs less than \$42,400.

RESULTS OF AUDIT

Except for unsupported costs of \$25,082 (FEMA share - \$22,574), the County properly accounted for and expended FEMA funds. The County claimed \$45,795 under Project 79944 for road repairs. However, the County had records (invoices, cancelled checks, activity logs, etc.) to support charges of only \$20,713. Accordingly, the OIG questions the unsupported difference of \$25,082.

RECOMMENDATION

The OIG recommends that the Regional Director, in coordination with the grantee, disallow the \$25,082 of questioned costs.

DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOW-UP

The results of the audit were discussed with FEMA, grantee, and County officials on March 7, 2003. County officials concurred with the finding.

Pursuant to FEMA Instruction 1270.1, please advise the Atlanta Field Office – Audit Division by June 9, 2003, of the actions taken to implement the OIG recommendation. Should you have any questions, concerning this report please contact me or Felipe Pubillones, Jr. at (770) 220-5242.

Houston County
FEMA Disaster No. 1033-DR-GA
Schedule of Claimed and Questioned Costs
Large Projects

<u>Project Number</u>	<u>Amount Awarded</u>	<u>Amount Claimed</u>	<u>Amount Questioned</u>
70246	\$ 254,702	\$ 254,702	\$ 0
76359	43,010	43,010	0
79944	45,795	45,795	25,082
79960	98,509	98,509	0
79959	93,853	93,853	0
79980	150,272	150,272	0
79982	59,082	59,082	0
92224	375,326	375,326	0
91451	<u>3,016,060</u>	<u>3,016,060</u>	<u>0</u>
Total	<u>\$4,136,609</u>	<u>\$4,136,609</u>	<u>\$25,082</u>